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Sweden wants trade of green electricity by 2003

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STOCKHOLM - Sweden's government is planning to introduce the trading of "green" certificates for electricity made from renewable energy by 2003, a government spokesman said yesterday.

The certificates, which will be tradeable outside Sweden and the Nordic power market, are quotas that producers obtain when a certain percentage of their production comes from renewable energy such as wind, biomass, solar and small hydro power.

They will be subsidised by a system where users are obliged to buy a certain amount of green electricity.

"The main reason why we chose a certificate model is that the financial support will land outside the state's budget and become independent from the government's finances," Pernilla Axelsson, spokeswoman at the industry ministry.

She said it was still unclear how the system would be financed up to 2003 but the government would publish new proposals in the autumn.

The current subsidy for renewable energy is 0.09 Swedish crown (\$0.01) per kilowatt hour and comes partly from transmission fees over the main power grid.

Complaints from within the power sector and the European

Commission have led to a revision of the subsidies.

"It is desirable that the financing of the temporary subsidies would come from something else than charges from the national grid," she said.

New ways of financing renewable energy would most probably mean a restructuring of the budget for the energy sector, she added.

Sweden subsidises renewable energy through supporting investments in environmentally friendly ventures and research projects for improved technology.

Story by Eva Sohlman

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